

## Message Text

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ACTION IO-14

INFO OCT-01 AGRE-00 ICA-11 AID-05 EB-08 EUR-12 COME-00  
ISO-00 TRSE-00 ABF-01 OMB-01 /053 W  
-----025640 082000Z /41

R 081826Z SEP 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 5731  
INFO USMISSION GENEVA  
AMEMBASSY PARIS  
USMISSION USUN NEW YORK

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FODAG

PARIS FOR UNESCO

E.O. 11652 N/A  
TAGS: FAO, AORG, EFIN  
SUBJECT: FAO 1980-1981 BUDGET

REF: ROME 16826

1. DEPARTMENT WILL SEE FROM REFTEL SOMEWHAT UNSATIS-  
FACTORY STATE OF PLAY REACHED ON FAO 1980-81 BUDGET BY  
GENEVA GROUP ROME (GGR).
2. IT IS FODAG'S BELIEF THAT BEST BET WILL BE TO TRY  
TO GET DG TO AN END OF SEPTEMBER LUNCH SO THAT AT  
LEAST WE KEEP OUR CONCERNS BEFORE HIM AS HE BEGINS  
LOOKING AT REPLIES TO BUDGET MEMO, DRAFTED BY WEST AND  
SHOWN TO FRENCH PERM REP BY DG EARLY THIS WEEK.
3. SINCE THIS MEMO LAYS THE RIGHT KIND OF DEMANDS ON  
FAO OFFICES AND SINCE WEST IS PUTTING IT AROUND (TO BOTH  
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USREP AND UKREP) THAT DG'S AIMS VERY MODEST FOR 1980-81  
(BUT NOT NECESSARILY FOR 1982-3), THERE IS SOME  
TENDENCY IN GGR TO WALK SOFTLY, ENCOURAGE DG'S  
REPORTED TENDENCY AND NOT GIVE HIM A CHALLENGE  
HE WILL THEN RISE TO. DUTCH, FRENCH (NOW THAT HE HAS,  
AFTER HIS FASHION, UNLOADED HIS INSTRUCTIONS ON DG)  
UK, AND EVEN TO SOME DG ANY REFERENCE POINT,ALTHOUGH

IN CASE OF LATTER TWO, IT MAY BE BECAUSE OF DOUBTS WE  
CAN AGREE ON ONE.

4. USREP, THEREFORE, OBLISHED AT GGR MTG TO PLAY THE  
HEAVY WITH SOME SUPPORT FROM INARTICULATE JAPANESE,  
NEW CANADIAN, AND LOW-KEY DEPUTY ITALIAN, AND NEW ZEALAND  
REPS. DRAFTING GROUP EFFORT EMERGED ONLY WHEN USREP  
SAID THAT WHILE HE WOULD LIKE TO JOIN A GROUP LUNCHEON  
WITH DG, HE WOULD HAVE DIFFICULTY DOING SO IF IT WAS  
EXPECTED THAT THE DG WOULD LEAVE LUNCH WITHOUT ANY  
PICTURE OF RANGE GROUP IS THINKING ABOUT. USREP  
ADDED THAT  
IN HIS VIEW, GIVEN PLAQ WE ALL AGFEED WAS  
IN 1978-79 BUDGET, OUR OPENING COUNTER TO DG'S HINTS  
OF 7PCT SHOULD BE THAT WE THOUGHT A \$211,350,000 BUDGET  
IN 1978-79 TERMS, HAVING WITHIN IT SOME SUBSTANTIAL  
NON-RECURRING ITEMS, HAD ROOM FOR CONSIDERABLE  
ARGUMENTS IF ADDITIONAL REAL GROWTH DESIRED.

5. OTHERS (UK, AUSTRALIA) ARGUED THAT THIS WOULD BE  
TOO CONFRONTATIONAL A POSTURE, GIVEN ENCOURAGING  
REPORTS OF DG'S THINKING AND LIKELY BE COUNTERPRODUCTIVE.  
EVEN JAPANESE REP NOTED THAT RATE OF EXPENDITURE ON  
CONTINUING PROGRAMS IN 1980, IN BIENNIAL TERMS, WOULD  
BE CLOSER TO \$220 LEVEL; OTHERS OBSERVED THAT, IF  
PRESENT \$5 MILLION SPECIAL RESERVE ACCOUNT DRAWN  
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DOWN, ITS REPLACEMENT, THIS TIME OUT OF CONTRI-  
BUTIONS TO REGULAR BUDGET, RATHER THAN FROM A SURPLUS  
CURRENCY ACCOUNT, MUST BE EXPECTED.

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ACTION IO-14

INFO OCT-01 AGRE-00 ICA-11 AID-05 EB-08 EUR-12 COME-00  
ISO-00 TRSE-00 ABF-01 OMB-01 /053 W  
-----027845 082004Z /70  
R 081826Z SEP 78  
FM AMEMBASSY ROME

TO SECSTATE WASHDC 5732  
INFO USMISSION GENEVA  
AMEMBASSY PARIS  
USMISSION USUN NEW YORK

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6. OUR PRESENT EXPECTATION IS THAT, IN VIEW OF FRENCH AND DUTCH POSITIONS, IT WILL NOT BE POSSIBLE TO OBTAIN, IN SEPTEMBER 12 DRAFTING SESSION, A GROUP SHOWN EXPRESSING ANY FIRM REAL GROWTH GUIDLINE. USREP WILL THEN HAVE CHOICE BETWEEN (A) BACKING OUT OF GROUP SESSION WITH DG AND CONVEYING US VIEWS ALONE TO DG OR POSSIBLY JOINING WITH CANADA, JAPAN, (B) GOING TO LUNCH, BUT PRECEDING IT WITH INDIVIDUAL MEETING WITH DG OR WEST AND URGING IMPORTANT HARDER LINERS (JAPAN, CANADA, PERHAPS FTG) TO FOLLOW SUIT WHILE SOFTER LINERS HOLD THEIR PEACE (THIS IS AUSTRALIAN RECOMMENDATION); (C) AGREEING TO LUNCHEON AT WHICH PER REPS FREE TO INDICATE THEIR OWN GOVERNMENTS'S PRESENT THINKING (D) WORKING OUT A FORMULA IN WHICH SPOKESMEN AT LUNCH (POSSIBLY THE BELGIAN AGAIN) STATES: "I BELIEVE YOU KNOW THE CURRENT FRENCH POSITION AND THE DUTCH VIEWS. THE THINKING AMONG THE REST OF US, FOR THE REASONS I HAVE JUST OUTLINED, IS THAT GIVEN THE PLAY IN THE PRESENT BUDGET (WCARRD, POST ADJUSTMENT CALCULATION ETC.), THERE IS ROOM FOR CONSIDERABLE REAL GROWTH IN A 1980-81 BUDGET SET, IN REAL TERMS, AT PRESENT BUDGET LEVEL, (PROVIDING LIMITED OFFICIAL USE

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WE DO NOT NEED TO REPLENISH THE SPECIAL ACCOUNT). OUR GOVERNMENTS, WHICH LOOK FORWARD TO HEARING AS SOON AS POSSIBLE THE DG'S VIEWS ON PROGRAMS FOR THE NEXT BIENNIUM, WILL NEED, DESPITE THEIR RECOGNITION OF THE IMPORTANCE OF FAO'S WORK, VERY PERSUASIVE JUSTIFICATIONS IN ORDER TO SUPPORT ADDITIONAL NET REAL GROWTH. WHILE A FEW COULD ACCEPT 3 PCT GROWTH FOR THE BIENNIUM, OTHERS START FROM THE ASSUMPTION THAT, IN CONFORMITY WITH THEIR OWN DOMESTIC APPROACHES, ZERO NET GROWTH SHOULD BE THE TARGET."

7. USREP PREPARED, IN ORDER GET AGREEMENT, SUGGEST THAT AFTER THE LUNCH WITH DG, PERM REPS WHO FEEL THEY MUST INDICATE TO DG OR WEST WHERE THEY FALL WITHIN THE RANGE MAY DO SO PROVIDED THEY LET GG MEMBERS KNOW THEY DOING SO. MAIN PROBLEM WILL BE TO GET GROUP TO INDICATE ANY RANGE AT ALL AND TO GET UK WITHIN IT (GETTING HIM 2PCT PER ANUM INSTRUCTIONS WAS NOT THAT

EASY AND HE MAY BALK AT ADDING THAT UP TO 3 PCT PER BIENNIIUM, WHICH IS BELOW WHAT WHO IS CLAIMING IT GOT. WE WILL ARGUE THAT MANNER OF OUR PRESENTATION SHOULD NOT STOP HIM FRM GOING UP A PER CENT IF JUSTIFIED AFTER DG SHOWS HISHAND).

8. IF THIS FAILS, OPTION B OR C ABOVE WILL HAVE TO BE CONSIDERED.

9. USDA'S HELPFUL THOUGHT ON EXTRABUDGETARY FUNDS APPEARS TO BE GETTING SOME RESPONSE.HOLMES

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** BUDGETS  
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**Draft Date:** 08 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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